

time off can be used to care for a sick family member or bond with a newly adopted or newborn child.

The original promoters of family leave in the 1980s said "No, never" when they were accused of planning to slip in a paid-leave requirement later. Now, predictably, "No, never," has turned into "Unfair—some people can't afford to take time off without pay."

However, a majority of Congress has never bought into the idea that government should force employers to keep the paychecks coming for extended family leave. Moreover, the thought of taxing the general public has also been a non-starter—it raises such questions as why a family that sacrificed to have a stay-at-home caregiver should pay higher taxes to subsidize the paid leave of a two-earner family.

Thus when President Clinton came around to paid family leave on the list of social programs he wants to leave as a legacy, he used an indirect approach. He said he would ask Congress for \$20 million in grant money to encourage state governments to find a way to pay people who took time off. He had previously suggested raiding accounts currently used to compensate the jobless and temporarily disabled workers—accounts that in many states are flush because of economic growth and low unemployment in recent years. But other creative ideas are encouraged, he said.

It's always easy to be generous with someone else's money, but in our opinion Congress shouldn't even start down that road. Unemployment and disability funds aren't a windfall and shouldn't be treated as one. Much of the money in the fund resulted from a special tax collected only from businesses. Industries with a history of more layoffs paid proportionately more.

In theory, the special tax rates are lowered when a healthy balance exists in the jobless accounts. Businesses would have a legitimate complaint if they were forced to continue to pay because the fund was drawn upon for reasons other than those for which it was established. And what happens if a recession sends unemployment soaring and the fund is drawn down to pay for family leave? How healthy would it be to raise business taxes still higher at the very time the vitality of the job-producing sector is under stress?

The president showed a glimmer of understanding when he noted that his widowed mother was able to get job training because his grandparents cared for him while she attended school. No federal mandates were involved. But Clinton quickly dismissed the significance of that saying that his family had been lucky. He contends that a federal mandate is needed because not everyone has that kind of luck.

As past editorials in this space have noted, Clinton's lack of firsthand experience with the private sector undermines his credibility on workplace issues. He said no American worker should have to choose between job and family. But such choices are made all the time. Balancing the various parts of one's life is a normal part of adulthood.

And it's by no means a one-sided choice. Long before family leave was invented as a liberal political cause, fathers and mothers were dealing with such issues with the help of extended families, carefully scheduled vacations, generous workplace friends and kind neighbors.

Sympathetic employers—the kind whose existence is seldom acknowledged by the left—also played a role in helping people

manage. Competitiveness was also a factor. In a 1987 survey, 77 percent of 1,000 companies indicated that they already had formal or informal family leave policies. In some cases, employees were compensated while taking time off.

So, long before Congress passed the original family leave law, the private sector was already moving forward. It would be interesting to know if this initiative has accelerated—or slowed—in the years since the government served notice that it was taking over the field.

HOUSING FINANCE REGULATORY IMPROVEMENT ACT OF 2000

HON. RICHARD H. BAKER

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 29, 2000

Mr. BAKER. Mr. Speaker, today, Chairman LEACH and I introduce a bill to improve the regulation of the three housing GSEs: FannieMae, FreddieMac, and the Federal Home Loan Banks.

The bill is designed to implement a GAO recommendation to consolidate GSE regulation into one independent board. Currently, three agencies regulate the three housing GSEs. The Federal Housing Finance Board regulates the Federal Home Loan Banks for safety and soundness and mission compliance. HUD regulates the mission compliance of FannieMae and FreddieMac; the Office of Federal Housing Enterprise Oversight regulates them for safety and soundness.

Based on several studies it conducted, GAO found that the creation of a single regulator to oversee both safety and soundness and mission compliance of the housing GSEs would lead to improved oversight. GAO identified these advantages:

A single regulator could be more independent and objective than the separate regulatory bodies and could be more prominent than either OFHEO or FHFB.

The regulators' expertise in evaluating GSE risk management could be shared more easily within one agency.

A single regulator would be better positioned to be cognizant of specific mission requirements, such as special housing goals or new programs, and should be better able to assess their competitive effect of all three housing GSEs and ensure consistency of regulation for the GSEs.

GAO analyzed different regulatory structures that could be used for a single housing GSE regulator. It found that an independent, arm's-length, stand-alone regulatory body headed by a board would best fit its criteria for an effective regulatory agency. GAO cited these advantages:

An independent regulatory body should be positioned to achieve the autonomy and prominence necessary to oversee the large and influential housing GSEs.

Using a board would enable Congress to provide for representation that could help ensure the regulator's independence and provide appropriate balance and expertise in the regulators' deliberations of both safety and soundness and mission-related issues.

A board could be structured to provide equal links to HUD, due to its role in housing policy, and Treasury, due to its roles in finance and financial institution oversight.

I believe that an independent board consisting of five persons, including representatives from HUD and Treasury, is a more effective oversight agency for the three housing GSEs than the current regulatory system. The Federal Home Loan Banks, FannieMae, and FreddieMac have essentially the same mission: to provide access to mortgage credit for families throughout the United States. We should not have inconsistent regulations for them.

In short, the bill seeks to improve supervision and to diminish the systemic risk of FannieMae, FreddieMac, and the Federal Home Loan Banks. The provisions in the bill intend to do the following:

1. Consolidate regulation of the three housing GSEs.
2. Reform the approval process for new GSE initiatives.
3. Limit GSEs' non-mission related investments.
4. Remove each GSE's line of credit with the Treasury.
5. Impose uniform risk-based capital requirements on the GSEs.
6. Require annual credit ratings of each GSE.
7. Puts into statute the current GSE practice of maintaining the conforming loan limit to reflect downward movement in average home prices.
8. Equalize the capital treatment of GSE and private-label mortgage-backed securities.
9. Study the exposure of the deposit insurance funds to GSE failure.
10. Gives authority to the new regulator; the power to appoint a receiver in case of GSE failure.

Times of crises are never the best time to act because the focus is on past problems rather than on future risks. We must not forget the painful lessons from the 1980s. Taxpayers can be put at risk during systemic downturns in economic activity. The recommended actions in my legislation are intended to protect your constituents from paying another tax dollar for events beyond their control, even in the case of GSEs. It is best to act now while our GSEs are healthy.

The housing GSEs are large and growing larger. The total obligations of the three housing GSEs is about half of our \$5.6 trillion federal debt. To assure they remain healthy throughout economic downturns and that taxpayers are never called upon to bail out GSEs, my bill aims to improve their supervision.

I hope that the House of Representatives consider the merits of my legislation as I conduct a series of hearings.

SECTION BY SECTION ANALYSIS

A Bill to consolidate and improve the regulation of the housing-related government-sponsored enterprises and for other purposes

TITLE I—HOUSING FINANCE OVERSIGHT BOARD

SUBTITLE A—IMPROVEMENT OF SUPERVISION

Sec. 101. Establishment of Board

The Housing Finance Oversight Board is established as an independent agency in the executive branch. The Board succeeds to the

authority of the Director of the Office of Federal Housing Enterprise Oversight (OFHEO), the Federal Housing Finance Board (FHFB), and the Secretary of Housing and Urban Development (HUD) in regard to the enterprises (Fannie Mae and Freddie Mac).

The Board consists of five full-time members, including the Secretary of HUD, the Secretary of the Treasury, and three U.S. citizens appointed by the President and confirmed by the Senate for a term of six years.

The appointed members must have extensive experience or training in housing finance, financial institution regulation, or capital markets. Not more than three members may be from the same political party.

No Board member may hold any office, position, or employment with any FHLBank, enterprise, or FHLBank member, or hold stock in any FHLBank member or enterprise.

The President designates an appointed director to serve as Chairperson of the Board. The Chairperson carries out the Board's policies, acts as spokesperson for the Board, and represents the Board in its official relations with the federal government. The Chairperson acts as chief executive officer of the Board, responsible for the operations and management of the Board.

Sec. 102. Duties and Authorities of Board

The Board's principal duties are to ensure that the enterprises and the FHLBanks operate in a financially safe and sound manner, carry out their mission, and remain adequately capitalized. The Board also exercises general supervisory and regulatory authority over the enterprises and the FHLBanks.

Sec. 103. Public disclosure of Information

The enterprises and the FHLBanks are required to publicly disclose at least annually financial, business, and other information that the Board determines is in the public interest because the information would increase the efficiency of the secondary mortgage market or the housing finance system.

Sec. 104. Personnel

The Board may not delegate any function to any employee, administrative unit of any FHLBank, or joint office of the FHLBank System.

Sec. 105. Assessments

The Board may annually assess the enterprises for reasonable costs and expenses, without Congressional appropriations approval. Receipts from Board assessments on the FHLBanks must be deposited in the same Treasury Department Fund as assessments on the enterprises.

Sec. 106. Public Disclosure of Final Orders and Agreements

Public disclosure requirements of orders and agreements concerning the enterprises are extended to the FHLBanks.

Sec. 107. Limitation on Subsequent Employment

The two-year limit on subsequent employment of former Board officers or employees by the enterprises is extended to the FHLBanks.

Sec. 108. Regulations

The Board must issue any regulations and orders necessary to carry out its duties.

Sec. 109. Termination of authority of HUD

The Secretary of HUD's general regulatory authority over the enterprises is removed, including affordable housing goals. HUD retains Fair Housing Act responsibilities.

Sec. 110. Approval of Board for New Activities

The Board has the authority to approve new activities and to review ongoing activi-

ties of an enterprise or a FHLBank to ensure legal compliance.

An enterprise or FHLBank may not commence any new activity before obtaining the Board's approval. New activity is defined for the enterprises and the FHLBanks, respectively. The Board may approve a new activity only if it is authorized by law, the Board determines the enterprise or FHLBank can conduct the new activity in a safe and sound manner, and the Board determines the new activity is in the public interest.

An enterprise or FHLBank proposing to implement a new activity must submit to the Board a written request for approval; the Board will publish this request in the Federal Register for at least a 30-day public comment period. Within 90 days of Federal Register publication, the Board will approve or deny the request. If the Board denies a request, the enterprise or FHLBank may seek judicial review of the decision.

Sec. 111. Limitation on Nonmission-related Assets

The Board must limit the nonmission-related assets that the enterprises and the FHLBanks may hold at any time.

Sec. 112. Conforming Loan Limits

Puts into statute the current GSE practice of maintaining the conforming loan limit to reflect downward movement in average home prices.

Sec. 113. Definitions

Inserts the new Board in the Definitions section.

Sec. 114. Supervision of Federal Home Loan Bank System

Makes the FHLBanks subject to the supervision and regulation of the Board.

Sec. 115 Amendments to Title 5, U.S. Code

Strikes Director of OFHEO and Chairperson/Directors of FHFB and inserts the new Board, with regard to executive schedule pay rates.

SUBTITLE B—REDUCTION OF SYSTEMIC RISK

Sec. 131. Annual Review of Enterprises by Rating Organizations

The Board will annually provide for two nationally recognized statistical rating organizations to assess the financial condition of each enterprise, each FHLBank, and the FHLBank System to determine the level of risk that they will be unable to meet financial obligations, taking into consideration the legal status that those obligations are not guaranteed by the United States. These assessment must include assigning a credit rating, using a scale similar to what the organizations use for the obligations of other financial institutions.

Sec. 132. Annual Reports

Requirements for annual reports and enforcement action reports concerning the enterprises are extended to the FHLBanks.

Sec. 133. Risk-based Capital Test for Enterprises

Allows the Board to make changes in the stress period circumstances of the risk based capital test for the enterprises.

Sec. 134. Effective Date for Supervisory Actions

Shortens from one year to six months the effective date for supervisory actions applicable to undercapitalized enterprises, subsequent to the risk based capital test taking effect for the enterprises.

Sec. 135. Appointment of Receivers

If an enterprise is critically undercapitalized or a FHLBank does not comply with its leverage and risk-based capital requirements, the Board may appoint a receiver to

liquidate or wind up the affairs of the enterprise or FHLBank.

Sec. 136. Repeal of Treasury Lines of Credit

Repeals the \$2.25 billion line of credit from the Treasury Department for each enterprise and the \$4 billion line of credit from the Treasury Department for the FHLBanks.

Sec. 137. Board Membership on Federal Financial Institutions Examination Council

Makes the Board a member of the Federal Financial Institutions Examination Council (FIFIEC).

Sec. 138. Elimination of Super-lien for Federal Home Loan Banks

Eliminates the priority given a FHLBank's security interest in the assets of a member financial institution that fails.

Sec. 139. Federal Home Loan Bank Finance Corporation

Establishes a FHLBank Finance Corporation as a federally-chartered instrumentality to issue and service the debt obligations of the FHLBanks. Management of the Corporation is vested in a board of directors, with each FHLBank having one representative (an officer or director of the FHLBank) on the Board. Consolidated obligations issued by the Corporation shall be the joint and several obligations of all the FHLBanks.

Sec. 140. Capital Treatment of Private Label Mortgage-backed Securities

Expresses the sense of Congress that proposed agency rules addressing the treatment of privately issued mortgage backed securities under risk-based capital requirements are appropriate and the final rules should not be significantly altered.

Sec. 141. Study of Effects of GSE Failure on Depository Institutions

The Federal Deposit Insurance Corporation, in consultation with the Federal Reserve Board, will conduct a study of the existing exposure of depository institutions to default or failure of the enterprises and FHLBanks and the effects such failures would have on depository institutions. The study will determine: (1) the extent of equity, debt, and mortgage-backed securities issued by the GSEs that is held by depository institutions; (2) the likely implications for depository institutions arising from such holdings if any GSE fails to meet risk-based capital requirements, is more severely undercapitalized, or defaults on its financial obligations; and (3) the effects on the financial exposure of depository institutions to GSEs from restricting loans to a single borrower.

SUBTITLE C—GENERAL PROVISIONS

Sec. 161. Conforming and Technical Amendments

Amends statutes to insert the new Board.

Sec. 162. Effective Date

The effective date is 270 days following enactment.

TITLE II—TRANSFER OF FUNCTIONS, PERSONNEL, AND PROPERTY

Sec. 201. Abolishment of OFHEO and Federal Housing Finance Board

The OFHEO and the FHFB are abolished, effective 270 days following enactment. Various issues are addressed to facilitate an orderly transfer of functions to the Board.

Sec. 202. Continuation and Coordination of Certain Regulations

All OFHEO, FHFB, and HUD (related to the enterprises) regulations and orders in effect upon abolishment must remain in effect and be enforceable by the Board until determined otherwise.

Sec. 203. Transfer and Rights of Employees of Abolished Agencies

OFHEO and FHFB employees will be transferred to the Board. Such employees are guaranteed a position with the same status, tenure, grade, and pay as previously held. Each employee cannot be involuntarily separated or reduced in grade or compensation for 18 months following the transfer, except for cause or temporary employee status. Membership in employee benefit programs is also retained for 18 months.

Sec. 204. Transfer of Property and Facilities

Upon abolishment, all OFHEO and FHFB property transfers to the Board.

**INTRODUCTION OF CIPRIS
CORRECTION BILL**

HON. PATSY T. MINK

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 29, 2000

Mrs. MINK of Hawaii. Mr. Speaker, I rise today to introduce a bill that will repeal a burden being placed on our colleges and universities.

In 1996, Congress enacted the Illegal Immigration Reform and Immigrant Responsibility Act (IIRIRA) directing the INS to establish an electronic tracking program to monitor foreign students and scholars in the United States.

The Coordinated Interagency Partnership Regulating International Students, CIPRIS as it is called, was established to enable colleges, universities and exchange programs to report information electronically to the INS, the Department of State, and the Department of Education.

CIPRIS is funded through a \$95 fee imposed on each student and visitor enrolled in higher education institutions or exchange programs.

Section 641(e) of IIRIRA requires that colleges and universities and exchange programs collect and remit this \$95 fee for each of these foreign students or exchange visitors.

This mandate places an inappropriate, costly, and unenforceable burden on our colleges and universities. Moreover, it establishes a dangerous precedent by requiring higher education institutions to act as collection agents for the federal government.

Significant financial costs will have to be undertaken by our colleges and universities to carry out this mandate. Thus, the collecting, processing, and remitting of CIPRIS fees will force universities to redirect resources away from educational endeavors to defray the additional costs of this mandate or it will result in higher educational costs for all students.

My bill corrects this problem by repealing Section 641(e) of IIRIRA. By repealing this section, foreign students will be responsible for remitting this fee to the government.

The colleges and universities will not serve as a collection agency for the government.

This bill will relieve our higher education institutions of a costly and timely burden and will allow them to spend time on what is most important—educating our youth.

I strongly urge my colleagues to join me in support of this measure.

EXTENSIONS OF REMARKS

**CONGRATULATING M. NIGHT
SHYAMALAN FOR HIS ACHIEVE-
MENTS IN THE SIXTH SENSE**

HON. JOSEPH M. HOFFFEL

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 29, 2000

Mr. HOFFFEL. Mr. Speaker, I rise today to congratulate M. Night Shyamalan on the success of his film, the Sixth Sense. This film was recently nominated for an Academy Award for best picture of the year, and Mr. Shyamalan, a resident of Conshohocken in the 13th congressional district of Pennsylvania, was nominated for best director and best screenplay. I would like to recognize Mr. Shyamalan for his superior work in the field of filmmaking and writing.

Mr. Shyamalan's career did not begin with The Sixth Sense. Growing up in Montgomery County, in the suburbs of Philadelphia, his early passion for filmmaking began at the age of eight, when he was given his first super eight camera. By the age of 10, filmmaking had captured his heart. It was then that he started making short films, finishing forty-five by the age of 16. In 1992, following NYU film school, he made his first independent film, Praying With Anger, which he wrote, directed, starred in and produced. His next film was Wide Awake, which was set in his hometown of Philadelphia and was also successful. His third feature film, The Sixth Sense, became a surprise hit in the summer of 1999, ranking second in box office earnings. Recently, he also wrote the screenplay for Stuart Little.

The Sixth Sense is an incredible film that is surreal, emotional, entertaining and mystifying. The movie showcases the great city of Philadelphia, celebrating many of its wonderful facets. In addition to the Academy Award nominations, Mr. Shyamalan has been nominated for the Chicago Film Critics Association Award for Best Screenplay, a Directors Guild of America Award for Outstanding Directorial Achievement in Motion Pictures, a Golden Globe for Best Screenplay, and he won a Golden Satellite Award for Best Screenplay.

Even with his success, Mr. Shyamalan handles himself with grace and humility. He has established a reputation for integrity and commitment to his community. He has creative and innovative approaches to filmmaking that have set him apart as a leader in the entertainment community. He has given us a sense of appreciation of the greater Philadelphia area in a unique and truly special film. We look forward to his next movie, Unbreakable, which has also been filmed in Philadelphia, and is due out soon. I know we will be hearing a lot more from M. Night Shyamalan in the future and I wish him much success.

**IN RECOGNITION OF YESHIVA
SCHOOLS AND DR. CYRIL WECHT**

HON. WILLIAM J. COYNE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 29, 2000

Mr. COYNE. Mr. Speaker, I rise today to acknowledge an event that recently took place in

February 29, 2000

my district. Dr. Cyril H. Wecht, a leading authority on medical and legal issues, was honored at the Yeshiva Schools Annual Dinner on February 20, 2000.

The Yeshiva School has been recognized nationwide as a Blue Ribbon School for its excellence in education. For over 50 years the school has been a contributor to the education of Pittsburgh's young people, a leader in continued achievement for Pittsburgh, and an institution in which all of Allegheny County can be proud.

Dr. Cyril H. Wecht, a resident of Allegheny County since childhood, is a graduate of the University of Pittsburgh and received both his medical and law degrees there, as well. He is Allegheny County's coroner, and president of the medical staff at St. Francis Hospital. He is also a professor at the University of Pittsburgh and an adjunct professor at the Duquesne University School of Law. Dr. Wecht directs the Pittsburgh Institute of Legal Medicine and is a fellow of the College of American Pathologists and the American Society of Clinical Pathologists. Dr. Wecht served as a captain in the United States Air Force. He has written several best-selling books and published over four-hundred papers. He has been a leader in Democratic politics and government in Allegheny County. He is a supporter of Jewish organizations and institutions.

Dr. Wecht has been the recipient of many awards, including: the Meah Club Award from the Hebrew Institute of Pittsburgh; the Humanitarian Award from the Jewish War Veterans, Pennsylvania Department; the Man of the Year Award from the Israel Bonds ZOA; and the Hall of Fame Award for Outstanding Achievements in Professional, Communal and Governmental Activities by B'nai B'rith District Three. Also, he received the Lifetime Achievement Award from B'nai B'rith Areas of Western Pennsylvania, Western New York, West Virginia, and Ohio and was recently named in Who's Who in Israel.

I congratulate Dr. Wecht and wish both him and the Yeshiva Schools continued success.

**ONLY SON KILLED: \$50,000 HOS-
PITAL BILL AWAITS FAMILY
WITH \$30,000 INCOME**

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 29, 2000

Mr. STARK. Mr. Speaker, of all the unspeakable sadness in the world, losing one's child has to be the greatest.

But in America, we often compound the pain with family bankruptcy.

The following article by Dennis Rockstroh from the San Jose Mercury of February 18, 2000 describes how "tragedy hits family doubly hard," in the case of the death of Eleazer Gamez, Jr.

What is wrong with us? Why can't we find in this time of wealth and prosperity a way to provide all our residents with health insurance and to remove at least the financial disaster of medical care. The goal of universal coverage should be the highest priority of this Congress and every Congress until all Americans have